

House Engrossed Senate Bill

FILED

**JANICE K. BREWER
SECRETARY OF STATE**

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CHAPTER 314

SENATE BILL 1410

AN ACT

AMENDING SECTIONS 10-125, 10-202, 10-224, 10-1006, 10-1007, 10-1008, 10-1105, 10-1420, 10-1503, 10-1520, 10-1530, 10-3202, 10-3203, 10-3224, 10-11006, 10-11007, 10-11008, 10-11105, 10-11107, 10-11403, 10-11420, 10-11503, 10-11520, 10-11530, 10-11622, 29-304, 29-601, 29-631, 29-634, 29-635, 29-783, 29-784, 29-786 AND 44-1236, ARIZONA REVISED STATUTES; RELATING TO CORPORATIONS AND LIMITED LIABILITY COMPANIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 10-125, Arizona Revised Statutes, is amended to
3 read:

4 10-125. Filing duty of commission

5 A. At the time of delivery of a document to the commission, the
6 commission shall stamp, endorse or attach the date and time of delivery of
7 the document.

8 ~~B. If a document delivered to the commission for filing satisfies the~~
9 ~~requirements of chapters 1 through 17 of this title, the commission shall~~
10 ~~file it by stamping, otherwise endorsing or attaching the word "filed" on the~~
11 ~~original document. Except as provided in sections 10-503 and 10-1509, after~~
12 ~~filing a document,~~

13 B. THE COMMISSION SHALL FILE A DOCUMENT DELIVERED TO THE COMMISSION
14 FOR FILING IF BOTH OF THE FOLLOWING APPLY:

15 1. THE COMMISSION DETERMINES THAT THE DOCUMENT SATISFIES THE
16 REQUIREMENTS OF CHAPTERS 1 THROUGH 17 OF THIS TITLE.

17 2. THE CORPORATION FILING THE DOCUMENT OR ON WHOSE BEHALF THE DOCUMENT
18 IS BEING FILED, IS IN GOOD STANDING WITHIN THE MEANING OF SECTION 10-128 OR
19 10-3128.

20 C. THE COMMISSION MAY FILE A DOCUMENT DELIVERED TO THE COMMISSION IN
21 WHICH EITHER THE CORPORATION HAS FILED ARTICLES OF DISSOLUTION OR THE
22 CORPORATION HAS FILED A DOCUMENT THAT IS REQUIRED TO BRING THE CORPORATION
23 INTO GOOD STANDING. The commission shall deliver a document copy to the
24 domestic or foreign corporation or its representative.

25 ~~E.~~ D. If the commission refuses to file a document, it shall return
26 it or a copy of the original to the domestic or foreign corporation or its
27 representative within five days after the determination of refusal to file,
28 together with a brief written explanation of the reason for the refusal.

29 ~~D.~~ E. The filing or refusing to file a document by the commission
30 does not:

31 1. Affect the validity or invalidity of the document in whole or part,
32 except to the extent that filing is required to make the document valid.

33 2. Relate to the correctness or incorrectness of information contained
34 in the document.

35 3. Create a presumption that the document is valid or invalid or that
36 information contained in the document is correct or incorrect.

37 Sec. 2. Section 10-202, Arizona Revised Statutes, is amended to read:

38 10-202. Articles of incorporation

39 A. The articles of incorporation shall set forth:

40 1. A corporate name for the corporation that satisfies the
41 requirements of section 10-401.

42 2. The number of shares the corporation is authorized to issue.

1 3. A brief statement of the character of business that the corporation
2 initially intends to actually conduct in this state. This statement does not
3 constitute a limitation on the character of business that the corporation
4 ultimately may conduct.

5 4. The name and address of each person who is to serve as a director
6 until a successor is elected and qualifies.

7 5. The name, street address and signature of the corporation's
8 statutory agent.

9 6. The street address of the known place of business for the
10 corporation, if different from that of its statutory agent.

11 7. The name and address of each incorporator.

12 8. Any provision elected by the incorporators that under chapters 1
13 through 17 of this title or any other law of this state may be elected only
14 by specific inclusion in the articles of incorporation.

15 9. The signatures of all incorporators.

16 B. The articles of incorporation may set forth:

17 1. A provision eliminating or limiting the liability of a director to
18 the corporation or its shareholders for money damages for any action taken or
19 any failure to take any action as a director, except liability for any of the
20 following:

21 (a) The amount of a financial benefit received by a director to which
22 the director is not entitled.

23 (b) An intentional infliction of harm on the corporation or the
24 shareholders.

25 (c) A violation of section 10-833.

26 (d) An intentional violation of criminal law.

27 2. A provision permitting or making obligatory indemnification of a
28 director for liability, as defined in section 10-850, to any person for any
29 action taken, or any failure to take any action, as a director, except
30 liability for any of the exceptions described in paragraph 1 of this
31 subsection.

32 3. Any other provision, not inconsistent with law.

33 C. The articles of incorporation need not set forth any of the
34 corporate powers enumerated in chapters 1 through 17 of this title.

35 D. The certificate of disclosure shall set forth all of the following:

36 1. The following information regarding all persons who at the time of
37 its delivery are officers, directors, trustees, incorporators and persons
38 controlling or holding over ten per cent of the issued and outstanding common
39 shares or ten per cent of any other proprietary, beneficial or membership
40 interest in the corporation:

41 (a) Whether any of the persons have been convicted of a felony
42 involving a transaction in securities, consumer fraud or antitrust in any
43 state or federal jurisdiction within the seven year period immediately
44 preceding the execution of the certificate.

1 (b) Whether any of the persons have been convicted of a felony, the
2 essential elements of which consisted of fraud, misrepresentation, theft by
3 false pretenses or restraint of trade or monopoly in any state or federal
4 jurisdiction within the seven year period immediately preceding the execution
5 of the certificate.

6 (c) Whether any of the persons are or have been subject to an
7 injunction, judgment, decree or permanent order of any state or federal court
8 entered within the seven year period immediately preceding the execution of
9 the certificate, if the injunction, judgment, decree or permanent order
10 involved any of the following:

11 (i) The violation of fraud or registration provisions of the
12 securities laws of that jurisdiction.

13 (ii) The violation of the consumer fraud laws of that jurisdiction.

14 (iii) The violation of the antitrust or restraint of trade laws of
15 that jurisdiction.

16 (d) With regard to any of the persons who have been convicted of the
17 crimes or who are the subject of the judicial action described in
18 subdivisions (a), (b) and (c) of this paragraph, information regarding:

19 (i) Identification of the persons, including present full name, all
20 prior names or aliases, including full birth name, present home address, all
21 prior addresses for the immediately preceding seven year period, AND date
22 and location of birth and ~~social security number~~.

23 (ii) The nature and description of each conviction or judicial action,
24 the date and location, the court and public agency involved, and the file or
25 cause number of the case.

26 2. A brief statement disclosing whether any persons who at the time of
27 its delivery are officers, directors, trustees, incorporators and persons
28 controlling or holding over twenty per cent of the issued and outstanding
29 common shares or twenty per cent of any other proprietary, beneficial or
30 membership interest in the corporation and who have served in any such
31 capacity or held a twenty per cent interest in any other corporation on the
32 bankruptcy, OR receivership or ~~charter revocation~~ of the other corporation.
33 If so, for each corporation, the certificate shall include:

34 (a) The names and addresses of each corporation and the person or
35 persons involved.

36 (b) The state in which each corporation:

37 (i) Was incorporated.

38 (ii) Transacted business.

39 (c) The dates of corporate operation.

40 3. The signatures of all of the incorporators.

41 4. The date of its execution, which shall be not more than thirty days
42 before its delivery to the commission.

43 5. A declaration by each signer that he swears to its contents under
44 penalty of law.

1 E. The certificate of disclosure may set forth the name and address of
2 any other person whom the incorporators elect to be the subject of those
3 disclosures required under subsection D, paragraph 1 of this section.

4 F. If within sixty days after delivering the articles of incorporation
5 and certificate of disclosure to the commission any person becomes an
6 officer, director, trustee or person controlling or holding over ten per cent
7 of the issued and outstanding shares or ten per cent of any other
8 proprietary, beneficial or membership interest in the corporation and the
9 person was not the subject of the disclosures set forth in the certificate of
10 disclosure, the incorporators or, if the organization of the corporation has
11 been completed as provided in section 10-205, the corporation shall execute
12 and deliver to the commission within the sixty day period a declaration,
13 sworn to under penalty of law, setting forth all information required by
14 subsection D, paragraph 1 of this section regarding the person. If the
15 incorporators or, as applicable, the corporation fail to comply with this
16 subsection, the commission may administratively dissolve the corporation
17 pursuant to section 10-1421.

18 G. If any of the persons described in subsection D, paragraph 1 of
19 this section have been convicted of the crimes or are the subject of the
20 judicial action described in subsection D, paragraph 1 of this section, the
21 commission may direct detailed interrogatories to the persons requiring any
22 additional relevant information deemed necessary by the commission. The
23 interrogatories shall be completely answered within thirty days after mailing
24 of the interrogatories. With respect to corporations incorporating or
25 seeking authority to transact business, articles of incorporation or an
26 application for authority shall not be filed until all outstanding
27 interrogatories have been answered to the satisfaction of the commission.
28 With respect to existing domestic and foreign corporations, if the
29 interrogatories are not answered as provided in this subsection or the
30 answers to the interrogatories otherwise indicate proper grounds for an
31 administrative dissolution, the commission shall initiate an administrative
32 dissolution in accordance with chapters 1 through 17 of this title.

33 H. On a quarterly updated basis, the commission shall provide to the
34 attorney general a list of all persons who are convicted of the crimes or who
35 are the subject of the judicial action described in subsection D, paragraph 1
36 of this section as indicated by the certificates of disclosure filed during
37 the preceding three months.

38 I. Any person who executes or contributes information for a
39 certificate of disclosure and who intentionally makes any untrue statement of
40 material fact or withholds any material fact with regard to the information
41 required in subsection D, paragraph 1 of this section is guilty of a class 6
42 felony.

1 Sec. 3. Section 10-224, Arizona Revised Statutes, is amended to read:

2 10-224. Recording and publication of articles of domestication

3 Within sixty days after the commission has approved the filing of the
4 articles of domestication, a copy of the articles of domestication shall be
5 published. An affidavit evidencing the publication ~~shall~~ MAY be filed with
6 the commission within ninety days after approval by the commission of the
7 filing of the articles of domestication. If other laws require the
8 domesticated corporation to record its articles of incorporation, the
9 domesticated corporation shall also record the articles of domestication.

10 Sec. 4. Section 10-1006, Arizona Revised Statutes, is amended to read:

11 10-1006. Articles of amendment

12 A. A corporation amending its articles of incorporation shall deliver
13 to the commission for filing articles of amendment setting forth:

14 1. The name of the corporation.

15 2. The text of each amendment adopted.

16 3. If an amendment provides for an exchange, reclassification or
17 cancellation of issued shares, provisions for implementing the amendment if
18 not contained in the amendment itself.

19 4. The date of each amendment's adoption.

20 5. If an amendment was adopted by the incorporators or board of
21 directors without shareholder action, a statement to that effect and that
22 shareholder action was not required.

23 6. If an amendment was approved by the shareholders:

24 (a) The designation of outstanding shares, number of outstanding
25 shares, number of votes entitled to be cast by each voting group entitled to
26 vote separately on the amendment and number of votes of each voting group
27 indisputably represented at the meeting.

28 (b) Either the total number of votes cast for and against the
29 amendment by each voting group entitled to vote separately on the amendment
30 or the total number of undisputed votes cast for the amendment by each voting
31 group and a statement that the number cast for the amendment by each voting
32 group was sufficient for approval by that voting group.

33 B. Within sixty days after the commission has approved the filing, a
34 copy of the articles of amendment shall be published. An affidavit
35 evidencing the publication ~~shall~~ MAY be filed with the commission within
36 ninety days after approval by the commission of the filing of the articles of
37 amendment.

38 Sec. 5. Section 10-1007, Arizona Revised Statutes, is amended to read:

39 10-1007. Restated articles of incorporation

40 A. A corporation's board of directors may restate its articles of
41 incorporation at any time with or without shareholder action.

42 B. The restatement may include one or more amendments to the articles.
43 If the restatement includes an amendment requiring shareholder approval, it
44 shall be adopted as provided in section 10-1003.

1 C. If the board of directors submits a restatement for shareholder
2 action, the corporation shall notify each shareholder, whether or not
3 entitled to vote, of the proposed shareholders' meeting in accordance with
4 section 10-705. The notice shall also state that the purpose or one of the
5 purposes of the meeting is to consider the proposed restatement and shall
6 contain or be accompanied by a copy of the restatement that identifies any
7 amendment or other change it would make in the articles.

8 D. A corporation restating its articles of incorporation shall deliver
9 to the commission for filing articles of restatement setting forth the name
10 of the corporation and the text of the restated articles of incorporation
11 together with a certificate setting forth:

12 1. Whether the restatement contains an amendment to the articles
13 requiring shareholder approval and, if it does not, that the board of
14 directors adopted the restatement.

15 2. If the restatement contains an amendment to the articles requiring
16 shareholder approval, the information required by section 10-1006.

17 E. Duly adopted restated articles of incorporation supersede the
18 original articles of incorporation and all amendments to them.

19 F. The commission may certify restated articles of incorporation, as
20 the articles of incorporation currently in effect, without including the
21 certificate information required by subsection D of this section.

22 G. Within sixty days after the commission has approved the filing, a
23 copy of the articles of restatement shall be published. An affidavit
24 evidencing the publication shall MAY be filed with the commission within
25 ninety days after the approval by the commission of the filing of the
26 articles of restatement.

27 Sec. 6. Section 10-1008, Arizona Revised Statutes, is amended to read:
28 10-1008. Amendment pursuant to reorganization

29 A. A corporation's articles of incorporation may be amended pursuant
30 to this section without action by the board of directors or shareholders to
31 carry out a plan of reorganization confirmed by an order or decree of a court
32 of competent jurisdiction under a federal statute or a statute of this state
33 if the articles of incorporation after amendment contain only provisions
34 required or permitted by section 10-202.

35 B. Before the date of entry of a final decree in the reorganization
36 proceeding, the individual or individuals designated by the plan shall
37 deliver to the commission for filing articles of amendment setting forth all
38 of the following:

39 1. The name of the corporation.

40 2. The text of each amendment contained in the plan of reorganization.

41 3. The date of the court's order or decree confirming the plan of
42 reorganization containing the articles of amendment.

43 4. The title of the reorganization proceeding in which the order or
44 decree was entered.

1 5. A statement that the court had jurisdiction of the proceeding under
2 federal or state statute.

3 C. Shareholders of a corporation undergoing reorganization do not have
4 dissenters' rights except as and to the extent provided in the reorganization
5 plan.

6 D. This section does not apply after entry of a final decree in the
7 reorganization proceeding even though the court retains jurisdiction of the
8 proceeding for limited purposes unrelated to consummation of the
9 reorganization plan.

10 E. Within sixty days after the commission has approved the filing, a
11 copy of the articles of amendment shall be published. An affidavit
12 evidencing the publication ~~shall~~ MAY be filed with the commission within
13 ninety days after approval by the commission of the filing of the articles of
14 amendment.

15 Sec. 7. Section 10-1105, Arizona Revised Statutes, is amended to read:
16 10-1105. Articles of merger or share exchange; publication

17 A. After a plan of merger or share exchange is approved by the
18 shareholders or adopted by the board of directors if shareholder approval is
19 not required, the surviving or acquiring corporation shall deliver to the
20 commission for filing both:

21 1. The plan of merger or share exchange.

22 2. Articles of merger or share exchange setting forth:

23 (a) The names of the corporations that were parties to the merger or
24 share exchange.

25 (b) The name and address of the known place of business of the
26 surviving or acquiring corporation.

27 (c) The name and address of the statutory agent of the surviving or
28 acquiring corporation.

29 (d) Any amendments to the articles of incorporation of the surviving
30 corporation.

31 (e) If shareholder approval was not required, a statement to that
32 effect.

33 (f) If approval of the shareholders of one or more corporations party
34 to the merger or share exchange was required:

35 (i) The designation, number of outstanding shares and number of votes
36 entitled to be cast by each voting group entitled to vote separately on the
37 plan as to each corporation.

38 (ii) Either the total number of votes cast for and against the plan by
39 each voting group entitled to vote separately on the plan or the total number
40 of undisputed votes cast for the plan separately by each voting group and a
41 statement that the number cast for the plan by each voting group was
42 sufficient for approval by that voting group.

43 B. A merger or share exchange takes effect at the effective time and
44 date of the articles of merger or share exchange, as determined pursuant to
45 section 10-123.

1 C. If the articles of merger include amendments to the articles of
2 incorporation of the surviving corporation, the document required to be filed
3 and published under this section shall be styled "articles of amendment and
4 merger".

5 D. Within sixty days after the commission has approved the filing, a
6 copy of the articles of merger or share exchange shall be published. An
7 affidavit evidencing the publication ~~shall~~ MAY be filed with the commission
8 within ninety days after approval by the commission of the filing of the
9 articles of merger or share exchange.

10 Sec. 8. Section 10-1420, Arizona Revised Statutes, is amended to read:

11 10-1420. Grounds for administrative dissolution

12 The commission may commence a proceeding under section 10-1421 to
13 administratively dissolve a corporation if either:

14 1. The corporation does not pay within sixty days after they are due
15 any fees or penalties imposed by chapters 1 through 17 of this title.

16 2. The corporation does not deliver its annual report to the
17 commission within sixty days after it is due.

18 3. The corporation is without a statutory agent or known place of
19 business in this state for sixty days or more.

20 4. The corporation does not notify the commission within sixty days
21 that its statutory agent or known place of business has been changed, that
22 its statutory agent has resigned or that its principal office has been
23 discontinued.

24 5. The corporation has failed to make any publication required by this
25 title ~~and file an affidavit of publication within the time prescribed by this~~
26 ~~title~~, provided the commission has notified the corporation of the intent of
27 the commission to commence a dissolution proceeding for that reason and the
28 corporation has failed to file an affidavit of publication OR OTHER
29 APPROPRIATE EVIDENCE OF PUBLICATION within sixty days after that notice.

30 6. The corporation's period of duration stated in its articles of
31 incorporation expires.

32 7. The corporation has failed to comply with section 10-202,
33 subsection F.

34 8. Any officer or other representative of the corporation has made any
35 misrepresentation of a material matter in any application, report, ~~affidavit~~
36 or other document submitted by the corporation pursuant to chapters 1 through
37 17 of this title.

38 9. The corporation has failed to comply with section 10-1403,
39 subsection D, or the commission has not received the notice required by
40 section 10-1403, subsection C, within six months after filing articles of
41 dissolution.

42 10. The corporation has failed to file a certificate of disclosure or
43 answer interrogatories as prescribed in chapters 1 through 17 of this title.

44 11. The corporation failed to comply with section 10-1623,
45 subsection A.

1 Sec. 9. Section 10-1503, Arizona Revised Statutes, is amended to read:
2 10-1503. Application for authority to transact business

3 A. A foreign corporation may apply for authority to transact business
4 in this state by delivering an application and a certificate of disclosure to
5 the commission for filing. The certificate of disclosure shall contain the
6 information set forth in section 10-202, subsection D and is subject to the
7 requirements of section 10-202, subsection F. The application shall be
8 executed by the corporation and shall set forth:

9 1. The name of the foreign corporation and, if its name is unavailable
10 for use in this state, a corporate name that satisfies the requirements of
11 section 10-1506.

12 2. The name of the state or country under whose law it is
13 incorporated.

14 3. Its date of incorporation and period of duration.

15 4. The street address of its principal office in its state or country
16 of incorporation.

17 5. The street address of the proposed known place of business of the
18 corporation in this state and the name and street address of its proposed
19 statutory agent in this state.

20 6. If its purpose or purposes are narrower than the transaction of any
21 or all lawful business in which corporations may engage in the state or
22 country under whose law it is incorporated, a statement of the limitations on
23 its purpose.

24 7. The names and usual business addresses of its current directors and
25 officers.

26 8. A statement of the aggregate number of shares that the corporation
27 has authority to issue, itemized by classes, par value of shares, shares
28 without par value and series, if any, within a class.

29 9. A statement of the aggregate number of issued shares itemized by
30 classes, par value of shares, shares without par value and series, if any,
31 within a class.

32 10. A brief statement of the character of business that the corporation
33 initially intends actually to conduct in this state. This statement does not
34 limit the character of business that the corporation ultimately conducts.

35 B. The foreign corporation shall deliver the application and the
36 certificate of disclosure to the commission, together with a copy of its
37 articles of incorporation, any amendments to the articles of incorporation
38 and a certificate of existence or a document of similar import duly
39 authenticated by the secretary of state or other official having custody of
40 corporate records in the state or country under whose law it is incorporated,
41 and the nonrefundable fees required by law.

42 C. After determining that the application sets forth the information
43 required by this section, does not use as the name of the corporation in this
44 state a name that is in violation of section 10-1506 and appears in all other
45 respects to conform to the requirements of this article, the commission shall

1 file the application. The date of filing shall be the date on which the
2 corporation is granted authority to transact business in this state.

3 D. Within sixty days after the commission has approved the filing, a
4 copy of the application shall be published. An affidavit evidencing the
5 publication ~~shall~~ MAY be filed within ninety days after approval by the
6 commission of the filing of the application.

7 E. A foreign corporation authorized to transact business in this state
8 is subject to section 10-1623.

9 Sec. 10. Section 10-1520, Arizona Revised Statutes, is amended to
10 read:

11 10-1520. Withdrawal of foreign corporation

12 A. A foreign corporation authorized to transact business in this state
13 shall not withdraw from this state until the commission files its application
14 for withdrawal.

15 B. A foreign corporation authorized to transact business in this state
16 may apply to surrender the authority by delivering an application to the
17 commission for filing. The application shall set forth:

18 1. The name of the foreign corporation and the name of the state or
19 country under whose law it is incorporated.

20 2. That it is not transacting business in this state and that it
21 surrenders its authority to transact business in this state.

22 3. That the foreign corporation revokes the authority of its statutory
23 agent to accept service on its behalf and appoints the commission as its
24 agent for service of process in any proceeding based on a cause of action
25 arising during the time it was authorized to transact business in this state.

26 4. A mailing address to which the commission may mail a copy of any
27 process served on the commission pursuant to its appointment as the foreign
28 corporation's agent for service of process.

29 5. A commitment to notify the commission in the future of any change
30 in the foreign corporation's mailing address.

31 C. The application for withdrawal is not considered complete until the
32 commission has received a notice from the department of revenue to the effect
33 that the tax levied under title 42, chapter 5, article 1 against the foreign
34 corporation has been paid or until it is notified by the department of
35 revenue that the applicant is not subject to the tax and further has received
36 from the department of revenue its certificate issued pursuant to section
37 43-1151.

38 D. The application for withdrawal is not considered complete until all
39 fees, penalties and costs required to be paid under this chapter have been
40 paid ~~and until the commission has received an affidavit that a copy of the~~
41 ~~application for withdrawal has been published.~~

42 E. After determining that the application appears in all respects to
43 conform to the requirements of this chapter and when all fees have been paid
44 as are prescribed in this chapter, the commission shall file the application
45 in the manner provided in section 10-120. On the filing of the application

1 for withdrawal, the authority of the foreign corporation to transact business
2 in this state ceases.

3 F. After withdrawal of the foreign corporation is effective, service
4 of process on the commission under this section is service on the foreign
5 corporation. On receipt of process, the commission shall mail a copy of the
6 process to the foreign corporation at the most recent mailing address
7 provided by the foreign corporation in the application or by notice to the
8 commission.

9 Sec. 11. Section 10-1530, Arizona Revised Statutes, is amended to
10 read:

11 10-1530. Grounds for revocation

12 The commission may commence a proceeding under section 10-1531 to
13 revoke the authority of a foreign corporation to transact business in this
14 state if any of the following conditions exist:

15 1. The foreign corporation does not deliver its annual report to the
16 commission within the time required by chapters 1 through 17 of this title.

17 2. The foreign corporation does not pay any fees or penalties imposed
18 by chapters 1 through 17 of this title when they become due and payable.

19 3. The foreign corporation is without a statutory agent or known place
20 of business in this state for sixty days or more.

21 4. The foreign corporation does not inform the commission that its
22 statutory agent or known place of business has changed or that its statutory
23 agent has resigned within sixty days of the change or resignation.

24 5. The foreign corporation has failed to make any publication required
25 by this title ~~and file affidavit of publication thereof within the time~~
26 ~~prescribed by this title~~, provided the commission has notified the foreign
27 corporation of the intent of the commission to commence a revocation
28 proceeding for that reason and the foreign corporation has failed to file an
29 affidavit OR OTHER APPROPRIATE EVIDENCE of publication within sixty days
30 after that notice.

31 6. An incorporator, director, officer or agent of the foreign
32 corporation signed a document he knew was false in any material respect with
33 intent that the document be delivered to the commission for filing.

34 7. The commission receives a duly authenticated certificate from the
35 secretary of state or other official having custody of corporate records in
36 the state or country under whose law the foreign corporation is incorporated
37 stating that it has been dissolved or disappeared as the result of a merger.

38 8. The corporation has failed to file a certificate of disclosure or
39 answer interrogatories as prescribed in chapters 1 through 17 of this title.

40 9. Any officer or other representative of the corporation has made any
41 misrepresentation of a material matter in any application, report, ~~affidavit~~
42 or other document submitted by the corporation pursuant to chapters 1 through
43 17 of this title.

1 Sec. 12. Section 10-3202, Arizona Revised Statutes, is amended to
2 read:

3 10-3202. Articles of incorporation

4 A. The articles of incorporation shall set forth:

5 1. A corporate name for the corporation that satisfies the
6 requirements of section 10-3401.

7 2. A brief statement of the character of affairs that the corporation
8 initially intends to conduct. This statement does not limit the affairs that
9 the corporation may conduct.

10 3. The name and address of each person who is to serve as a director
11 until a successor is elected and qualifies.

12 4. The name, street address and signature of the corporation's
13 statutory agent.

14 5. The street address of the known place of business for the
15 corporation, if different from that of its statutory agent.

16 6. The name and address of each incorporator.

17 7. Whether or not the corporation will have members.

18 8. Any provision elected by the incorporators that under chapters 24
19 through 40 of this title or any other law of this state may be elected only
20 by specific inclusion in the articles of incorporation.

21 9. The signatures of all incorporators.

22 B. The articles of incorporation may set forth:

23 1. A provision eliminating or limiting the liability of a director to
24 the corporation or its members for money damages for any action taken or any
25 failure to take any action as a director, except liability for any of the
26 following:

27 (a) The amount of a financial benefit received by a director to which
28 the director is not entitled.

29 (b) An intentional infliction of harm on the corporation or the
30 members.

31 (c) A violation of section 10-3833.

32 (d) An intentional violation of criminal law.

33 2. A provision permitting or making obligatory indemnification of a
34 director for liability, as defined in section 10-3850, to any person for any
35 action taken, or any failure to take any action, as a director, except
36 liability for any of the exceptions described in paragraph 1 of this
37 subsection.

38 3. Any other provision, not inconsistent with law.

39 C. The articles of incorporation need not set forth any of the
40 corporate powers enumerated in chapters 24 through 40 of this title.

41 D. The certificate of disclosure shall set forth all of the following:

42 1. The following information regarding all persons who at the time of
43 its delivery are officers, directors, trustees and incorporators:

1 (a) Whether any of the persons have been convicted of a felony
2 involving a transaction in securities, consumer fraud or antitrust in any
3 state or federal jurisdiction within the seven year period immediately
4 preceding the execution of the certificate.

5 (b) Whether any of the persons have been convicted of a felony, the
6 essential elements of which consisted of fraud, misrepresentation, theft by
7 false pretenses or restraint of trade or monopoly in any state or federal
8 jurisdiction within the seven year period immediately preceding the execution
9 of the certificate.

10 (c) Whether any of the persons are or have been subject to an
11 injunction, judgment, decree or permanent order of any state or federal court
12 entered within the seven year period immediately preceding the execution of
13 the certificate, if the injunction, judgment, decree or permanent order
14 involved any of the following:

15 (i) The violation of fraud or registration provisions of the
16 securities laws of that jurisdiction.

17 (ii) The violation of consumer fraud laws of that jurisdiction.

18 (iii) The violation of the antitrust or restraint of trade laws of
19 that jurisdiction.

20 (d) With regard to any of the persons who have been convicted of the
21 crimes or who are the subject of the judicial action described in
22 subdivisions (a), (b) and (c) of this paragraph, information regarding:

23 (i) Identification of the persons, including present full name, all
24 prior names or aliases, including full birth name, present home address, all
25 prior addresses for the immediately preceding seven year period,— AND date
26 and location of birth ~~and social security number.~~

27 (ii) The nature and description of each conviction or judicial action,
28 the date and location, the court and public agency involved, and the file or
29 case number of the case.

30 2. A brief statement disclosing whether any persons who at the time of
31 its delivery are officers, directors, trustees and incorporators and who have
32 served in any such capacity in any other corporation on the bankruptcy,— OR
33 receivership ~~or charter revocation~~ of the other corporation. If so, for each
34 corporation, the certificate shall include:

35 (a) The names and addresses of each corporation and the person or
36 persons involved.

37 (b) The state in which each corporation:

38 (i) Was incorporated.

39 (ii) Transacted business.

40 (c) The dates of corporate operation.

41 3. The signatures of all the incorporators.

42 4. The date of its execution, which shall be not more than thirty days
43 before its delivery to the commission.

1 5. A declaration by each signer that the signer swears to its contents
2 under penalty of law.

3 E. The certificate of disclosure may set forth the name and address of
4 any other person whom the incorporator or incorporators choose to be the
5 subject of those disclosures required under subsection D, paragraph 1 of this
6 section.

7 F. If within sixty days after delivering the articles of incorporation
8 and certificate of disclosure to the commission any person becomes an
9 officer, director or trustee and the person was not the subject of the
10 disclosures set forth in the certificate of disclosure, the incorporator or
11 incorporators or, if the organization of the corporation has been completed
12 as provided in section 10-3205, the corporation shall execute and deliver to
13 the commission within the sixty day period a declaration, sworn to under
14 penalty of law, setting forth all information required by subsection D,
15 paragraph 1 of this section, regarding the person. If the incorporator or
16 incorporators or, as applicable, the corporation fails to comply with this
17 subsection, the commission may administratively dissolve the corporation
18 pursuant to section 10-11421.

19 G. If any of the persons described in subsection D, paragraph 1 of
20 this section have been convicted of the crimes or are the subject of the
21 judicial action described in subsection D, paragraph 1 of this section, the
22 commission may direct detailed interrogatories to the persons requiring any
23 additional relevant information deemed necessary by the commission. The
24 interrogatories shall be completely answered within thirty days after mailing
25 of the interrogatories. With respect to corporations incorporating or
26 seeking authority to conduct affairs, articles of incorporation or an
27 application for authority shall not be filed until all outstanding
28 interrogatories have been answered to the satisfaction of the commission.
29 With respect to existing domestic and foreign corporations, if the
30 interrogatories are not answered as provided in this subsection or the
31 answers to the interrogatories otherwise indicate proper grounds for an
32 administrative dissolution, the commission shall initiate an administrative
33 dissolution in accordance with chapters 24 through 40 of this title.

34 H. On a quarterly updated basis, the commission shall provide to the
35 attorney general a list of all persons who are convicted of the crimes or who
36 are the subject of the judicial action described in subsection D, paragraph 1
37 of this section as indicated by the certificate of disclosure filed during
38 the preceding three months.

39 I. Any person who executed or contributed information for a
40 certificate of disclosure and who intentionally makes any untrue statement of
41 material fact or withholds any material fact with regard to the information
42 required in subsection D, paragraph 1 of this section is guilty of a class 6
43 felony.

1 Sec. 13. Section 10-3203, Arizona Revised Statutes, is amended to
2 read:

3 10-3203. Incorporation

4 A. Unless a delayed effective date is specified in the articles of
5 incorporation, incorporation occurs and the corporate existence begins when
6 the articles of incorporation and certificate of disclosure are delivered to
7 the commission for filing.

8 B. The commission's filing of the articles of incorporation and
9 certificate of disclosure is conclusive proof that the incorporators
10 satisfied all conditions precedent to incorporation except in a proceeding by
11 the state to cancel or revoke the incorporation or involuntarily dissolve the
12 corporation pursuant to chapter 37 of this title.

13 C. Subject to section 10-3124, if the commission determines that the
14 requirements of chapters 24 through 42 of this title for filing have not been
15 met, the articles of incorporation and certificate of disclosure shall not be
16 filed and the corporate existence terminates at the time the commission
17 completes the determination. If the corporate existence is terminated
18 pursuant to this subsection, sections 10-11404, 10-11405 and 10-11406 apply.

19 D. Within sixty days after the commission has approved the filing, a
20 copy of the articles of incorporation shall be published. An affidavit
21 evidencing the publication ~~shall~~ MAY be filed with the commission within
22 ninety days after approval by the commission of the filing of the articles of
23 incorporation.

24 Sec. 14. Section 10-3224, Arizona Revised Statutes, is amended to
25 read:

26 10-3224. Recording and publication of articles of domestication

27 Within sixty days after the commission has approved the filing of the
28 articles of domestication, a copy of the articles of domestication shall be
29 published. An affidavit evidencing the publication ~~shall~~ MAY be filed with
30 the commission within ninety days after the approval by the commission of the
31 filing of the articles of domestication. If other laws require the
32 domesticated corporation to record its articles of incorporation, the
33 domesticated corporation shall also record the articles of domestication.

34 Sec. 15. Section 10-11006, Arizona Revised Statutes, is amended to
35 read:

36 10-11006. Articles of amendment

37 A. A corporation amending its articles of incorporation shall deliver
38 to the commission for filing articles of amendment setting forth:

- 39 1. The name of the corporation.
- 40 2. The text of each amendment adopted.
- 41 3. The date of each amendment's adoption.

42 4. A statement that the amendment was duly adopted by act of the
43 members or act of the board of directors and, if applicable, with the
44 approval required pursuant to section 10-11030.

1 B. Within sixty days after the commission has approved the filing, a
2 copy of the articles of amendment shall be published. An affidavit
3 evidencing the publication ~~shall~~ MAY be filed with the commission within
4 ninety days after approval by the commission of the filing of the articles of
5 amendment.

6 Sec. 16. Section 10-11007, Arizona Revised Statutes, is amended to
7 read:

8 10-11007. Restated articles of incorporation

9 A. A corporation's board of directors may restate its articles of
10 incorporation at any time with or without approval by the members or any
11 other person.

12 B. The restatement may include one or more amendments to the articles
13 of incorporation. If the restatement includes an amendment requiring
14 approval by the members or any other person, it shall be adopted as provided
15 in section 10-11003.

16 C. If the board of directors submits a restatement for member action,
17 the corporation shall notify each member entitled to vote of the proposed
18 membership meeting in writing in accordance with section 10-3705. The notice
19 shall also state that the purpose or one of the purposes of the meeting is to
20 consider the proposed restatement and shall contain or be accompanied by a
21 copy or summary of the restatement that identifies any amendment or other
22 change it would make in the articles.

23 D. If the board of directors submits a restatement for member action
24 by written ballot or written consent, the material that solicits the approval
25 shall contain or be accompanied by a copy or summary of the restatement that
26 also identifies any amendment or other change it would make in the articles
27 of incorporation.

28 E. A corporation restating its articles of incorporation shall deliver
29 to the commission for filing articles of restatement setting forth the name
30 of the corporation and the text of the restated articles of incorporation
31 together with a certificate setting forth:

32 1. Whether the restatement contains an amendment to the articles
33 requiring approval by any other person other than the board of directors and,
34 if it does not, that the board of directors adopted the restatement.

35 2. If the restatement contains an amendment to the articles requiring
36 approval by the members, a statement that such approval was obtained.

37 3. If the restatement contains an amendment to the articles requiring
38 approval by a person whose approval is required pursuant to section 10-11030,
39 a statement that such approval was obtained.

40 F. Duly adopted restated articles of incorporation supersede the
41 original articles of incorporation and all amendments to them.

42 G. The commission may certify restated articles of incorporation, as
43 the articles of incorporation currently in effect, without including the
44 certificate information required by subsection E of this section.

1 H. Within sixty days after the commission has approved the filing, a
2 copy of the articles of restatement shall be published. An affidavit
3 evidencing the publication ~~shall~~ MAY be filed with the commission within
4 ninety days after approval by the commission of the filing of the articles of
5 restatement.

6 Sec. 17. Section 10-11008, Arizona Revised Statutes, is amended to
7 read:

8 10-11008. Amendment pursuant to reorganization

9 A. A corporation's articles may be amended pursuant to this section
10 without action by the board of directors or members or approval required
11 pursuant to section 10-11030 to carry out a plan of reorganization ordered or
12 decreed by a court of competent jurisdiction under a federal statute or a
13 statute of this state if the articles of incorporation after amendment
14 contain only provisions required or permitted by section 10-3202.

15 B. Before the date of entry of a final decree in the reorganization
16 proceeding, the individual or individuals designated by the court plan shall
17 deliver to the commission articles of amendment setting forth all of the
18 following:

19 1. The name of the corporation.

20 2. The text of each amendment contained in the plan of reorganization.

21 3. The date of the court's order or decree confirming the plan of
22 reorganization containing the articles of amendment.

23 4. The title of the reorganization proceeding in which the order or
24 decree was entered.

25 5. A statement that the court had jurisdiction of the proceeding under
26 federal or state statute.

27 C. This section does not apply after entry of a final decree in the
28 reorganization proceeding even though the court retains jurisdiction of the
29 proceeding for limited purposes unrelated to consummation of the
30 reorganization plan.

31 D. Within sixty days after the commission has approved the filing, a
32 copy of the articles of amendment shall be published. An affidavit
33 evidencing the publication ~~shall~~ MAY be filed with the commission within
34 ninety days after approval by the commission of the filing of the articles ~~or~~
35 OF amendment.

36 Sec. 18. Section 10-11105, Arizona Revised Statutes, is amended to
37 read:

38 10-11105. Articles of merger or membership exchange;
39 publication

40 A. After a plan of merger or membership exchange is approved by the
41 board of directors and, if required by section 10-11103, by the members and
42 any other persons, the surviving or acquiring corporation shall deliver to
43 the commission for filing both:

44 1. The plan of merger or membership exchange.

45 2. Articles of merger or membership exchange setting forth:

1 (a) The names of the corporations that were parties to the merger or
2 membership exchange.

3 (b) The name and address of the known place of business of the
4 surviving or acquiring corporation.

5 (c) The name and address of the statutory agent of the surviving or
6 acquiring corporation.

7 (d) Any amendments to the articles of incorporation of the surviving
8 corporation.

9 (e) A statement that the amendment was duly adopted by act of the
10 board of directors and, if required by section 10-11103, by act of the
11 members and any other persons.

12 B. A merger takes effect at the effective time and date of the
13 articles of merger, as determined pursuant to section 10-3123.

14 C. If the articles of merger include amendments to the articles of
15 incorporation of the surviving corporation, the document required to be filed
16 and published under this section shall be styled "articles of amendment and
17 merger".

18 D. Within sixty days after the commission has approved the filing, a
19 copy of the articles of merger or membership exchange shall be published. An
20 affidavit evidencing the publication shall MAY be filed with the commission
21 within ninety days after approval by the commission of the filing of the
22 articles of merger or membership exchange.

23 Sec. 19. Section 10-11107, Arizona Revised Statutes, is amended to
24 read:

25 10-11107. Merger or exchange with other entities

26 A. In addition to mergers or exchanges governed by sections 10-11101
27 and 10-11102, a domestic corporation may merge or enter into an exchange of
28 memberships and interests with one or more other entities incorporated,
29 formed or organized under the laws of this state, any other state, the United
30 States, any foreign country or any other jurisdiction, if:

31 1. In a merger, the merger is permitted by the law of the jurisdiction
32 under whose laws the other entity is incorporated, formed or organized, and
33 each other entity complies with that law in effecting the merger. For
34 entities incorporated, formed or organized under the laws of this state, this
35 section constitutes permission for the merger.

36 2. Each domestic nonprofit corporation approves the plan of merger or
37 exchange in the manner required by section 10-11103, subsection B.

38 3. Each other entity approves the plan of merger or exchange in the
39 manner required by the laws of the jurisdiction under whose laws it is
40 organized.

41 4. Rights or securities of or interests in an entity that is a party
42 to the merger or exchange may be exchanged for or converted into cash,
43 property, obligations, rights or securities of or interests in the surviving
44 or resulting entity.

1 B. The plan of merger or exchange shall set forth:
2 1. The name and jurisdiction of incorporation, formation or
3 organization of each entity that plans to merge or exchange.
4 2. The name of the surviving or acquiring entity.
5 3. The terms and conditions of the merger or exchange.
6 4. The manner and basis, if any, of converting or exchanging the
7 memberships, rights or securities of or interests in each entity that is a
8 party to the merger or to be acquired in the exchange into or for
9 obligations, memberships, rights or securities of or interest in the
10 surviving or acquiring entity or into or for cash or other property in whole
11 or in part.
12 C. The plan of merger or exchange may set forth:
13 1. In a merger, amendments to the articles or certificate of
14 incorporation or organization, the certificate of limited partnership or
15 similar organizational document of the surviving entity.
16 2. Other provisions relating to the merger or exchange.
17 D. After a plan of merger or exchange is approved as provided in
18 subsection A, paragraphs 2 and 3 of this section, the surviving or acquiring
19 entity shall deliver to the commission for filing both:
20 1. The plan of merger or exchange, or a statement that the plan of
21 merger or exchange is on file at a place of business of the surviving or
22 acquiring entity, including the address of the place of business, and a
23 statement that the surviving or acquiring entity will provide a copy of the
24 plan of merger or exchange on request and without cost to any person who
25 holds an interest in an entity that is a party to the merger or exchange.
26 2. The articles of merger or exchange setting forth:
27 (a) The names of the domestic nonprofit corporations and other
28 entities that were parties to the merger or exchange.
29 (b) The name and a place of business of the surviving or acquiring
30 entity.
31 (c) If the surviving entity in a merger is a domestic nonprofit or
32 business corporation, any amendments to the articles of incorporation of that
33 corporation.
34 3. If the surviving entity in a merger is not an entity organized
35 under the laws of this state, both of the following:
36 (a) A statement that the surviving entity agrees that it may be served
37 with process in this state in an action, suit or proceeding for the
38 enforcement of any obligation of any entity that was organized under the laws
39 of this state and that is a party to the merger and for the enforcement of
40 any obligation of the surviving entity arising from the merger.
41 (b) A statement that the surviving entity irrevocably appoints the
42 commission as its agent to accept service of process in the action, suit or
43 proceeding described in subdivision (a) of this paragraph, including the
44 address to which the commission shall mail a copy of the process.

1 E. The articles of merger shall serve as the articles or certificate
2 of dissolution, termination or cancellation for an entity that is not the
3 surviving entity in a merger.

4 F. A merger or exchange takes effect at the effective time and date of
5 the articles of merger or exchange, as determined pursuant to section
6 10-3123.

7 G. If the articles of merger include amendments to the articles of
8 incorporation of the surviving corporation as described in subsection D,
9 paragraph 2, subdivision (c) of this section, the document required to be
10 filed and published under this section shall be styled "articles of amendment
11 and merger".

12 H. Within sixty days after the commission has approved the filing, a
13 copy of the articles of merger or share exchange shall be published. An
14 affidavit evidencing the publication shall MAY be filed with the commission
15 within ninety days after approval by the commission of the filing of the
16 articles of merger or share exchange.

17 I. When a merger takes effect:

18 1. Every other entity that is a party to the merger merges into the
19 surviving entity and the separate existence of every entity except the
20 surviving entity ceases.

21 2. The title to all real estate and other property owned by each
22 entity that is a party to the merger is vested automatically in the surviving
23 entity without reversion or impairment, subject to any and all conditions to
24 which the property was subject prior to the merger.

25 3. The surviving entity automatically has all of the liabilities of
26 each entity that is a party to the merger.

27 4. A proceeding pending against any entity that is a party to the
28 merger may be continued as if the merger did not occur or the surviving
29 entity may be substituted in the proceeding for the entity whose existence
30 ceased.

31 5. The organizational document of the surviving entity is amended to
32 the extent provided in the articles of amendment and merger.

33 6. The memberships, rights or securities of or interests in each
34 entity that is a party to the merger that are to be converted into
35 obligations, memberships, rights or securities of or other interests in the
36 surviving or any other entity or into cash or other property are converted,
37 and the former holders of the memberships, rights, securities or interests
38 are entitled only to the rights provided in the plan of merger.

39 J. If an exchange takes effect, the memberships, rights or securities
40 of or other interests in each acquired entity are exchanged as provided in
41 the plan, and the former holders of the membership, rights, securities or
42 interests are entitled only to the exchange rights provided in the plan of
43 exchange.

1 K. Unless the plan of merger or exchange provides otherwise, each
2 entity that is a party to the merger or exchange may abandon the proposed
3 merger or exchange before the effective date of the merger or exchange in a
4 manner required by the laws of the jurisdiction in which the entity is
5 organized.

6 L. This section does not limit the power of an entity to acquire all
7 or part of the memberships of one or more classes of a domestic corporation
8 through a voluntary exchange or otherwise.

9 Sec. 20. Section 10-11403, Arizona Revised Statutes, is amended to
10 read:

11 10-11403. Articles of dissolution

12 A. At any time after dissolution is authorized, the corporation may
13 dissolve by delivering to the commission articles of dissolution setting
14 forth all of the following:

15 1. The name of the corporation.

16 2. The date dissolution was authorized.

17 3. A statement that the dissolution was duly authorized by an act of
18 the members or an act of the board of directors and, if applicable, with the
19 approval required pursuant to section 10-11402.

20 B. A corporation is dissolved on the effective date of its articles of
21 dissolution.

22 C. The articles of dissolution shall not be considered complete until
23 all fees, penalties and costs required to be paid under this title have been
24 paid.

25 D. Within sixty days after the commission has approved the filing, a
26 copy of the articles of dissolution shall be published. An affidavit
27 evidencing the publication ~~shall~~ MAY be filed with the commission within
28 ninety days after approval by the commission of the filing of the articles of
29 dissolution.

30 E. The articles of dissolution are not complete until the commission
31 has received a notice from the department of revenue that the tax levied
32 under title 42, chapter 5, article 1 against the corporation has been paid,
33 or until the department of revenue notifies the commission that the
34 corporation is not subject to the tax and the commission has received from
35 the department of revenue a certificate issued by the department of revenue
36 pursuant to section 43-1151.

37 Sec. 21. Section 10-11420, Arizona Revised Statutes, is amended to
38 read:

39 10-11420. Grounds for administrative dissolution

40 The commission may commence a proceeding under section 10-11421 to
41 administratively dissolve a corporation if either:

42 1. The corporation does not pay within sixty days after they are due
43 any fees or penalties imposed by chapters 24 through 40 of this title.

44 2. The corporation does not deliver its annual report to the
45 commission within sixty days after it is due.

1 3. The corporation is without a statutory agent or known place of
2 business in this state.

3 4. The corporation does not notify the commission within sixty days
4 that its statutory agent or known place of business has been changed, that
5 its statutory agent has resigned or that its known place of business has been
6 discontinued.

7 5. The corporation has failed to make any publication required by this
8 title ~~and file an affidavit of publication within the time prescribed by this~~
9 ~~title~~, provided the commission has notified the corporation of the intent of
10 the commission to commence a dissolution proceeding for that reason after
11 that notice and the corporation has failed to file an affidavit OR OTHER
12 APPROPRIATE EVIDENCE of publication within sixty days.

13 6. The corporation's period of duration stated in its articles of
14 incorporation expires.

15 7. The corporation has failed to comply with section 10-3202,
16 subsection F.

17 8. Any officer or other representative of the corporation has made any
18 misrepresentation of a material matter in any application, report, ~~affidavit~~
19 or other document submitted by the corporation pursuant to chapters 24
20 through 40 of this title.

21 9. The commission has not received the notice required by section
22 10-11403, subsection E within six months after filing articles of
23 dissolution.

24 10. The corporation has failed to file a certificate of disclosure or
25 answer interrogatories as prescribed in chapters 24 through 40 of this title.

26 11. The corporation failed to comply with section 10-11623,
27 subsection A.

28 Sec. 22. Section 10-11503, Arizona Revised Statutes, is amended to
29 read:

30 10-11503. Application for certificate of authority

31 A. A foreign corporation may apply for authority to conduct affairs in
32 this state by delivering an application and a certificate of disclosure to
33 the commission for filing. The certificate of disclosure shall contain the
34 information set forth in section 10-3202, subsection D and is subject to the
35 requirements of section 10-3202, subsection F. The application shall be
36 executed by the corporation and shall set forth:

37 1. The name of the foreign corporation and, if its name is unavailable
38 for use in this state, a corporate name that satisfies the requirements of
39 section 10-11506.

40 2. The name of the state or country under whose law it is
41 incorporated.

42 3. Its date of incorporation and period of duration.

43 4. The street address of its principal office in its state or country
44 of incorporation.

1 5. The street address of the proposed known place of business of the
2 corporation in this state and the name and street address of its proposed
3 statutory agent in this state.

4 6. If its purpose or purposes are narrower than the transaction of any
5 or all lawful affairs in which corporations may engage in the state or
6 country under whose law it is incorporated, a statement of the limitations on
7 its purpose.

8 7. The names and usual business addresses of its current directors and
9 officers.

10 8. Whether the foreign corporation has members.

11 9. A brief statement of the character of business that the corporation
12 initially intends actually to conduct in this state. This statement does not
13 limit the character of business that the corporation ultimately conducts.

14 B. The foreign corporation shall deliver the application and the
15 certificate of disclosure to the commission, together with a copy of its
16 articles of incorporation, any amendments to the articles of incorporation
17 and a certificate of existence or a document of similar import duly
18 authenticated by the secretary of state or other official having custody of
19 corporate records in the state or country under whose law it is incorporated,
20 and the nonrefundable fees required by law.

21 C. After determining that the application sets forth the information
22 required by this section, does not use as the name of the corporation in this
23 state a name that is in violation of section 10-11506 and appears in all
24 other respects to conform to the requirements of this article, the commission
25 shall file the application. The date of filing shall be the date on which
26 the corporation is granted authority to transact business in this state.

27 D. Within sixty days after the commission has approved the filing, a
28 copy of the application shall be published. An affidavit evidencing the
29 publication ~~shall~~ MAY be filed within ninety days after approval by the
30 commission of the filing of the application.

31 E. A foreign corporation authorized to transact business in this state
32 is subject to section 10-11623.

33 Sec. 23. Section 10-11520, Arizona Revised Statutes, is amended to
34 read:

35 10-11520. Withdrawal of foreign corporation

36 A. A foreign corporation authorized to conduct affairs in this state
37 shall not withdraw from this state until the commission files its application
38 for withdrawal.

39 B. A foreign corporation authorized to conduct affairs in this state
40 may apply to surrender the authority by delivering an application to the
41 commission for filing. The application shall set forth:

42 1. The name of the foreign corporation and the name of the state or
43 country under whose law it is incorporated.

44 2. That it is not conducting affairs in this state and that it
45 surrenders its authority to conduct affairs in this state.

1 3. That the foreign corporation revokes the authority of its statutory
2 agent to accept service on its behalf and appoints the commission as its
3 agent for service of process in any proceeding based on a cause of action
4 arising during the time it was authorized to conduct affairs in this state.

5 4. A mailing address to which the commission may mail a copy of any
6 process served on the commission pursuant to its appointment as the foreign
7 corporation's agent for service of process.

8 5. A commitment to notify the commission in the future of any change
9 in the foreign corporation's mailing address.

10 C. The application for withdrawal is not considered complete until the
11 commission has received a notice from the department of revenue to the effect
12 that the tax levied under title 42, chapter 5, article 1 against the foreign
13 corporation has been paid or until it is notified by the department of
14 revenue that the applicant is not subject to the tax and further has received
15 from the department of revenue its certificate issued pursuant to section
16 43-1151.

17 D. The application for withdrawal is not considered complete until all
18 fees, penalties and costs required to be paid under this chapter have been
19 paid ~~and until the commission has received an affidavit that a copy of the~~
20 ~~application for withdrawal has been published.~~

21 E. After determining that the application appears in all respects to
22 conform to the requirements of this chapter and when all fees have been paid
23 as are prescribed in this chapter, the commission shall file the application
24 in the manner provided in section 10-3120. On the filing of the application
25 for withdrawal, the authority of the foreign corporation to transact business
26 in this state ceases.

27 F. After the withdrawal of the corporation is effective, service of
28 process on the commission under this section is service on the foreign
29 corporation. On receipt of process, the commission shall mail a copy of the
30 process to the foreign corporation at the mailing address set forth in its
31 application for withdrawal.

32 Sec. 24. Section 10-11530, Arizona Revised Statutes, is amended to
33 read:

34 10-11530. Grounds for revocation

35 The commission may commence a proceeding under section 10-11531 to
36 revoke the authority of a foreign corporation to conduct affairs in this
37 state if any of the following conditions exist:

38 1. The foreign corporation does not deliver the annual report to the
39 commission within the time required by chapters 24 through 40 of this title.

40 2. The foreign corporation does not pay any fees or penalties imposed
41 by chapters 24 through 40 of this title when they become due and payable.

42 3. The foreign corporation is without a statutory agent or known place
43 of business in this state for sixty days or more.

1 4. The foreign corporation does not inform the commission that its
2 statutory agent or its known place of business has changed or that its
3 statutory agent has resigned within sixty days of the change or resignation.

4 5. The foreign corporation has failed to make any publication required
5 by this title ~~and file an affidavit of publication thereof within the time~~
6 ~~prescribed by this title~~, provided the commission has notified the foreign
7 corporation of the intent of the commission to commence a revocation
8 proceeding for that reason and the foreign corporation has failed to file an
9 affidavit OR OTHER APPROPRIATE EVIDENCE of publication within sixty days
10 after that notice.

11 6. An incorporator, director, officer or agent of the foreign
12 corporation signed a document such person knew was false in any material
13 respect with intent that the document be delivered to the commission for
14 filing.

15 7. The commission receives a duly authenticated certificate from the
16 secretary of state or other official having custody of corporate records in
17 the state or country under whose law the foreign corporation is incorporated
18 stating that it has been dissolved or disappeared as the result of a merger.

19 8. The corporation has failed to file a certificate of disclosure or
20 answer interrogatories as prescribed in chapters 24 through 40 of this title.

21 9. Any officer or other representative of the corporation has made any
22 misrepresentation of a material matter in any application, report, ~~affidavit~~
23 or other document submitted by the corporation pursuant to chapters 24
24 through 40 of this title.

25 Sec. 25. Section 10-11622, Arizona Revised Statutes, is amended to
26 read:

27 10-11622. Annual report

28 A. Each domestic corporation and each foreign corporation authorized
29 to conduct affairs in this state shall deliver to the commission for filing
30 an annual report that sets forth all of the following:

31 1. The name of the corporation and the state or country under whose
32 law it is incorporated.

33 2. The address of its known place of business and the name and address
34 of its agent in this state.

35 3. The address of its principal office.

36 4. The names and business addresses of its directors and principal
37 officers.

38 5. A brief description of the nature of its activities.

39 6. Whether or not it has members.

40 7. A certificate of disclosure containing the information set forth in
41 section 10-3202, subsection D.

42 8. A statement that all corporate income tax returns required by title
43 have been filed with the department of revenue.

44 ~~9. A statement of its financial condition.~~

1 B. The information in the annual report shall be current as of the
2 date the annual report is executed on behalf of the corporation.

3 C. The annual report for all corporations shall be delivered to the
4 commission for filing, and the annual fee shall be paid on or before the date
5 assigned by the commission. The commission may stagger the annual report
6 filing date for all corporations and adjust the annual fee on a pro rata
7 basis. The corporation shall deliver the annual report to the commission for
8 filing each subsequent year in the anniversary month on the date assigned by
9 the commission. If a corporation is unable to file the annual report
10 required by this section on or before the date prescribed by this section,
11 the corporation may file, but only on or before this date, a written request
12 with the commission for an extension of time, not to exceed six months, in
13 which to file the annual report. The request for an extension of time shall
14 be accompanied by the annual registration fee required by law. After filing
15 the request for an extension of time and on receipt of the annual
16 registration fee, the commission shall grant the request.

17 D. If an annual report does not contain the information requested by
18 this section, the commission shall promptly notify the reporting domestic or
19 foreign corporation in writing and shall return the report to it for
20 correction. If the report is corrected to contain the information required
21 by this section and delivered to the commission within thirty days after the
22 effective date of notice, it is deemed to be timely filed.

23 E. Any corporation that is exempt from the requirement of filing an
24 annual report shall deliver annually a certificate of disclosure containing
25 the information set forth in section 10-3202, subsection D, executed by any
26 two executive officers or directors of the corporation on or before May 31.
27 If the certificate is not delivered within ninety days after the due date of
28 the annual report or within ninety days after May 31 in the case of any
29 corporation that is exempt from the requirement of filing an annual report,
30 the commission shall initiate administrative dissolution of that corporation
31 or revoke the application for authority of that corporation in accordance
32 with chapters 24 through 40 of this title.

33 Sec. 26. Section 29-304, Arizona Revised Statutes, is amended to read:

34 29-304. Specified office and agent

35 A. Each limited partnership shall continuously maintain in this state:

36 1. An office, which may but need not be a place of its business in
37 this state, at which shall be kept the records required by section 29-305 to
38 be maintained; and

39 2. An agent for service of process on the limited partnership, which
40 agent shall be an individual resident of this state, a domestic corporation,
41 A DOMESTIC LIMITED LIABILITY COMPANY, ~~or~~ a foreign corporation OR A FOREIGN
42 LIMITED LIABILITY COMPANY authorized to do business in this state. A
43 statutory agent of a limited partnership may resign as agent by delivering a
44 written notice to the secretary of state and mailing a copy of the notice to
45 the partnership at its last known address. The appointment of the agent

1 terminates thirty days after receipt of the notice by the secretary of state
2 or on the appointment of a new statutory agent, whichever occurs first.

3 B. If a limited partnership fails to appoint or maintain an agent for
4 service of process in this state or the agent for service of process cannot
5 with reasonable diligence be found at the agent's address, the secretary of
6 state is an agent of the limited partnership on whom process, notice or
7 demand may be served.

8 C. If the secretary of state accepts service of process, notice or
9 demand pursuant to subsection B of this section, the secretary of state shall
10 forward by certified mail, the summons and the complaint to the limited
11 partnership at the address on file with the secretary of state at the time of
12 service.

13 D. The secretary of state is not liable for any damages incurred by
14 the limited partnership if the limited partnership does not receive the
15 summons and complaint.

16 Sec. 27. Section 29-601, Arizona Revised Statutes, is amended to read:

17 29-601. Definitions

18 In this chapter, unless the context otherwise requires:

19 1. "Articles of organization" means the initial articles of
20 organization as amended or restated from time to time.

21 2. "Assignee" means any person who acquires in any manner the
22 ownership of an interest in a limited liability company and who has not been
23 admitted as a member.

24 3. "Capital contribution" means cash, other property, the use of
25 property, services rendered or any other valuable consideration transferred
26 to a limited liability company as consideration for issuing an interest in a
27 limited liability company.

28 4. "Commission" means the corporation commission.

29 5. "Court" includes any court and judge with jurisdiction in the case.

30 6. "Domestic limited liability company" or "limited liability company"
31 means a limited liability company organized and existing under this chapter.

32 7. "Event of withdrawal" means an event that causes a person to cease
33 to be a member as provided in section 29-733.

34 8. "Executed" means executed by manual or facsimile signature on
35 behalf of the limited liability company by a duly authorized member if
36 management of the limited liability company is reserved to the members or
37 manager if management of the limited liability company is vested in a
38 manager, or if the limited liability company is in the hands of a receiver or
39 trustee, by the receiver or trustee.

40 9. "Filing" means the commission completing the following procedure
41 with respect to any document delivered for that purpose:

42 (a) Determining that the filing fee requirements of this chapter have
43 been satisfied.

44 (b) Determining that the document appears in all respects to conform
45 to the requirements of this chapter.

1 (c) On making the determinations required by this paragraph,
2 endorsement of the word "filed" with the applicable date on or attached to
3 the document and the return of copies to the person who delivered the
4 document or the person's representative.

5 10. "Foreign limited liability company" means either:

6 (a) An unincorporated entity or association that is owned by one or
7 more persons that have limited liability for the debts of the business, other
8 than a partnership or trust, and that is formed under the laws of a
9 jurisdiction other than this state for any lawful purpose, including the
10 rendering of professional services as defined in that jurisdiction.

11 (b) An entity or unincorporated association that is formed under the
12 laws of a jurisdiction other than this state for any lawful purpose,
13 including the rendering of professional services as defined in that
14 jurisdiction, and that is characterized as a limited liability company by
15 those laws.

16 11. "Initial articles of organization" means the articles of
17 organization filed with the commission at the time a limited liability
18 company is formed, including articles of organization that are corrected to
19 conform to the filing provisions of this chapter pursuant to section 29-634,
20 subsection B- C, paragraph 2.

21 12. "Member" means a person who is admitted as a member in a limited
22 liability company pursuant to this chapter until an event of withdrawal
23 occurs with respect to the person and, if reference is made to members, that
24 reference means a member in the case of a limited liability company that has
25 a single member. A MEMBER INCLUDES A NONECONOMIC MEMBER OF A LIMITED
26 LIABILITY COMPANY WHO:

27 (a) DOES NOT OWN A MEMBER'S INTEREST IN THE COMPANY.

28 (b) DOES NOT HAVE AN OBLIGATION TO CONTRIBUTE CAPITAL TO THE COMPANY.

29 (c) DOES NOT HAVE A RIGHT TO PARTICIPATE IN OR RECEIVE DISTRIBUTIONS
30 OF PROFITS OF THE COMPANY OR AN OBLIGATION TO CONTRIBUTE TO THE LOSSES OF THE
31 COMPANY.

32 (d) MAY HAVE VOTING RIGHTS AND OTHER RIGHTS AND PRIVILEGES AS
33 PRESCRIBED BY THE ARTICLES OF ORGANIZATION OR OPERATING AGREEMENT.

34 13. "Member's interest", "interest in a limited liability company" or
35 "interest in the limited liability company" means a member's share of the
36 profits and losses of a limited liability company and the right to receive
37 distributions of limited liability company assets.

38 14. "Operating agreement" means either:

39 (a) Any written or oral agreements among all members concerning the
40 affairs of a limited liability company or the conduct of its business.

41 (b) In the case of a limited liability company that has a single
42 member, any written or oral statement of the member made in good faith
43 purporting to govern the affairs of a limited liability company or the
44 conduct of its business as of the effective time of the statement.

1 15. "Person" includes any individual, general partnership, limited
2 partnership, domestic or foreign limited liability company, corporation,
3 trust, business trust, real estate investment trust, estate and other
4 association.

5 16. "Real property" includes land, any interest, leasehold or estate in
6 land and any improvements on it.

7 17. "State" means a state, possession or territory of the United
8 States, the District of Columbia or the Commonwealth of Puerto Rico.

9 Sec. 28. Section 29-631, Arizona Revised Statutes, is amended to read:

10 29-631. Formation; parents and subsidiaries

11 A. One or more persons may form a limited liability company by signing
12 and filing with the commission an original copy of the articles of
13 organization for the limited liability company. The person or persons need
14 not be members of the limited liability company at the time of formation or
15 after formation has occurred.

16 B. NOTWITHSTANDING ANY OTHER LAW, A PARENT LIMITED LIABILITY COMPANY
17 AND ITS SUBSIDIARY LIMITED LIABILITY COMPANIES MAY BE FORMED AT THE SAME
18 TIME.

19 Sec. 29. Section 29-634, Arizona Revised Statutes, is amended to read:

20 29-634. Filing with the commission

21 A. One copy of the signed original articles of organization,
22 application for a certificate of registration or any other document required
23 to be filed pursuant to this chapter shall be delivered to the commission.
24 ~~If the commission determines that the documents conform to the filing~~
25 ~~provisions of this chapter, it shall, when all fees required pursuant to~~
26 ~~section 29-851 have been paid:~~ THE COMMISSION SHALL FILE A DOCUMENT DELIVERED
27 TO THE COMMISSION FOR FILING IF ALL OF THE FOLLOWING APPLY:

28 1. THE COMMISSION DETERMINES THAT THE DOCUMENT CONFORMS TO THE FILING
29 PROVISIONS OF THIS CHAPTER.

30 2. THE LIMITED LIABILITY COMPANY FILING THE DOCUMENT OR ON WHOSE
31 BEHALF THE DOCUMENT IS BEING FILED, IS IN GOOD STANDING WITHIN THE MEANING OF
32 SECTION 29-614.

33 3. ALL FEES REQUIRED PURSUANT TO SECTION 29-851 HAVE BEEN PAID.

34 B. THE COMMISSION MAY FILE A DOCUMENT DELIVERED TO THE COMMISSION THAT
35 IS REQUIRED TO BRING THE LIMITED LIABILITY COMPANY INTO GOOD STANDING. THE
36 COMMISSION SHALL:

37 1. Endorse, stamp or attach on the signed original and duplicate copy
38 the word "filed" and the date and time of its acceptance for filing.

39 2. Retain the signed original in the commission's files.

40 3. Return a duplicate copy to the person who filed it or the person's
41 representative.

42 ~~B.~~ C. If the commission is unable to make the determination required
43 for filing by subsection A of this section at the time any documents are
44 delivered for filing, the documents are deemed to have been filed at the time

1 of delivery if the commission subsequently determines either of the
2 following:

3 1. The documents as delivered conform to the filing provisions of this
4 chapter.

5 2. Within thirty days after notification of nonconformance is given by
6 the commission to the person who delivered the documents for filing or the
7 person's representative, the documents are brought into conformance.

8 ~~C.~~ D. A document may specify a delayed effective time or date, or
9 both, and is effective at that specified time and date. If the document
10 specifies a delayed effective date but does not specify the time, the
11 document is effective on the specified date at 12:01 a.m. mountain standard
12 time. A delayed effective date for a document may not be later than the
13 ninetieth day after the date the document is delivered to the commission for
14 filing.

15 ~~D.~~ E. If the filing and determination requirements of this chapter
16 are not satisfied completely within the time prescribed in subsection B,
17 paragraph 2 of this section, the documents shall not be filed.

18 Sec. 30. Section 29-635, Arizona Revised Statutes, is amended to read:

19 29-635. Formation of limited liability company

20 A. Except as provided in section 29-634, subsection ~~C~~ D, a limited
21 liability company is formed when the articles of organization are delivered
22 to the commission for filing, even if the commission is unable to make the
23 determination required for filing by section 29-634, subsection A at the time
24 of delivery. If the articles of organization, as delivered to the
25 commission, do not conform to the filing provisions of this chapter and are
26 not brought into conformance within the time period prescribed by section
27 29-634, subsection ~~B~~ C, paragraph 2, the existence of the limited liability
28 company terminates at the end of the time period.

29 B. A copy of the articles of organization that is filed with the
30 commission and that is stamped "filed" and marked with the filing date is
31 conclusive evidence that all conditions precedent required to be performed by
32 the organizers have been complied with and that the limited liability company
33 has been legally organized and formed under this chapter. A limited
34 liability company continues perpetually unless otherwise provided in its
35 articles of organization or operating agreement or until the limited
36 liability company is dissolved and terminated in accordance with this
37 chapter.

38 C. Within sixty days after the commission has approved the filing
39 there shall be published in a newspaper of general circulation in the county
40 of the known place of business, for three consecutive publications, a notice
41 of the filing of such articles of organization consisting of the information
42 required in section 29-632, subsection A, paragraphs 1, 2, 3, 5 and 6. An
43 affidavit evidencing publication ~~shall~~ MAY be filed within ninety days after
44 approval by the commission of the filing of the articles of organization.

1 Sec. 31. Section 29-783, Arizona Revised Statutes, is amended to read:

2 29-783. Articles of termination

3 If all of the known property and assets of a limited liability company
4 have been applied and distributed pursuant to this chapter, written articles
5 of termination shall be signed on behalf of the limited liability company by
6 a manager if management of the limited liability company is vested in one or
7 more managers or by a member if management of the limited liability company
8 is reserved to the members. The articles of termination shall be filed with
9 the commission and shall state:

10 1. The name of the limited liability company.

11 ~~2. That all debts, obligations and liabilities have been paid and~~
12 ~~discharged or that adequate provisions have been made for them pursuant to~~
13 ~~section 29-782.~~

14 ~~3.~~ 2. That all of the known properties and assets of the limited
15 liability company have been applied and distributed pursuant to this chapter.

16 ~~4. That there are no suits pending against the company in any court or~~
17 ~~that adequate provisions have been made for the satisfaction of any judgment,~~
18 ~~order or decree that may be entered against it in any pending suit.~~

19 Sec. 32. Section 29-784, Arizona Revised Statutes, is amended to read:

20 29-784. Effect of signing articles of termination

21 On the filing of the articles of termination the existence of the
22 limited liability company ceases, except for the purpose of suits, other
23 proceedings and appropriate action as provided in this chapter. The managers
24 in office at the time of termination or, if none, the members ~~are thereafter~~
25 ~~trustees for the members and creditors of the terminated limited liability~~
26 ~~company and as such may distribute any of the limited liability company's~~
27 ~~property discovered after termination, may convey real estate and may take~~
28 ~~other action as necessary on behalf of and in the name of the terminated~~
29 ~~limited liability company TO WIND UP AND LIQUIDATE THE BUSINESS AND AFFAIRS~~
30 ~~OF THE LIMITED LIABILITY COMPANY.~~

31 Sec. 33. Section 29-786, Arizona Revised Statutes, is amended to read:

32 29-786. Administrative dissolution

33 A. The commission may administratively dissolve a limited liability
34 company in the manner provided by this section if the limited liability
35 company either:

36 1. Fails to amend its articles of organization as required by section
37 29-633, subsection B.

38 2. Has failed to make any publication required by this chapter ~~and has~~
39 ~~failed to file an affidavit of publication thereof required by this chapter.~~

40 3. Is without a statutory agent or known place of business in this
41 state for at least sixty days.

42 4. Does not notify the commission within sixty days after its
43 statutory agent or known place of business has changed or within sixty days
44 after its statutory agent has resigned.

1 5. Fails to respond to interrogatories as prescribed in section
2 29-612.

3 6. Fails to pay any fees or penalties required pursuant to this
4 chapter within sixty days after the fees or penalties are due.

5 B. If the commission determines that one or more grounds exist under
6 subsection A of this section for dissolving a limited liability company, it
7 shall give written notice of its determination by mail addressed to the
8 statutory agent of the limited liability company, or if the limited liability
9 company fails to appoint and maintain a statutory agent, addressed to the
10 known place of business required to be maintained pursuant to section 29-604,
11 subsection A, paragraph 1.

12 C. If the limited liability company does not correct each ground for
13 dissolution or demonstrate to the reasonable satisfaction of the commission
14 that each ground determined by the commission does not exist within sixty
15 days after service of the notice, the commission shall administratively
16 dissolve the limited liability company by signing a certificate of
17 dissolution that recites the ground or grounds for dissolution and its
18 effective date. The commission shall file the original of the certificate
19 and mail a copy to the limited liability company addressed to its statutory
20 agent, or if the limited liability company fails to appoint and maintain a
21 statutory agent, addressed to the known place of business required to be
22 maintained pursuant to section 29-604, subsection A, paragraph 1.

23 D. A limited liability company administratively dissolved pursuant to
24 this section continues in existence but may not carry on any business except
25 as necessary to wind up and liquidate its business and affairs under section
26 29-782, subsection B. IF THE LIMITED LIABILITY COMPANY HAS NOT APPLIED FOR
27 REINSTATEMENT WITHIN SIX MONTHS AFTER THE EFFECTIVE DATE OF THE DISSOLUTION,
28 THE COMMISSION SHALL RELEASE THE COMPANY NAME FOR USE IN ACCORDANCE WITH
29 CHAPTER 4 OF THIS TITLE OR BY A PERSON INTENDING TO REGISTER THE NAME AS A
30 TRADEMARK PURSUANT TO TITLE 44, CHAPTER 10, ARTICLE 3.1.

31 E. A limited liability company administratively dissolved under this
32 section may apply to the commission for reinstatement within six years after
33 the effective date of dissolution. The application shall both:

34 1. Recite the name of the limited liability company and the effective
35 date of its administrative dissolution.

36 2. State either that the ground or grounds for dissolution did not
37 exist or that the ground or grounds have been eliminated.

38 F. If the commission determines that the application contains the
39 information required by subsection E of this section, and that the
40 information is correct, it shall cancel the certificate of dissolution,
41 prepare a certificate of reinstatement that recites this determination and
42 the effective date of reinstatement, file the original of the certificate and
43 mail a copy to the limited liability company addressed to its statutory
44 agent.

1 G. When the reinstatement is effective, it relates back to and takes
2 effect as of the effective date of the administrative dissolution and the
3 limited liability company resumes carrying on its business as if the
4 administrative dissolution had never occurred. IF ANOTHER COMPANY HAS
5 ADOPTED THE NAME OF THE LIMITED LIABILITY COMPANY OR ANOTHER PERSON HAS
6 ADOPTED THE NAME OF THE COMPANY AS A TRADEMARK, THE APPLICATION SHALL BE
7 ACCOMPANIED BY ARTICLES OF AMENDMENT THAT ARE IN ACCORDANCE WITH CHAPTER 4 OF
8 THIS TITLE AND THAT ADOPT A NEW NAME FOR THE LIMITED LIABILITY COMPANY THAT
9 COMPLIES WITH CHAPTER 4 OF THIS TITLE.

10 H. The administrative dissolution of a limited liability company does
11 not terminate the authority of a statutory agent.

12 I. A limited liability company that has been administratively
13 dissolved pursuant to this section may bring an action against the commission
14 in superior court to review the commission's refusal to reinstate the limited
15 liability company. The action by the limited liability company shall be
16 brought within six months after the commission's refusal becomes final. The
17 superior court shall hear and determine the action as a trial de novo. In
18 any such action the burden of proof shall be on the party adverse to the
19 commission.

20 Sec. 34. Section 44-1236, Arizona Revised Statutes, is amended to
21 read:

22 44-1236. Certificate of name required; exceptions

23 A. Any person other than a partnership transacting business in this
24 state under a fictitious name or a designation not showing the name of the
25 owner of the business or the name of the corporation doing such business
26 shall record with the county recorder of the county in which the place of
27 business is located a certificate stating in full either:

28 1. The name of the owner of the business and his or her place of
29 residence, signed by the owner and acknowledged.

30 2. If a corporation, the name and address of the corporation, signed
31 by the statutory agent and acknowledged.

32 B. A new certificate shall be recorded upon any change in ownership of
33 the business using a fictitious name unless such business is a corporation.

34 C. A new certificate shall be recorded if a corporation transfers the
35 right to use such fictitious name to another corporation.

36 D. A person or corporation doing business contrary to this section
37 shall not maintain an action upon or on account of a contract or transaction
38 made in the fictitious name in any court of this state until such person has
39 first recorded the certificate required by this section.

40 E. THIS SECTION DOES NOT APPLY TO A PERSON OR CORPORATION THAT HAS
41 EITHER:

42 1. FILED A TRADE NAME CERTIFICATE WITH THE SECRETARY OF STATE.

43 2. OBTAINED AUTHORIZATION FROM THE CORPORATION COMMISSION TO CONDUCT
44 BUSINESS AS A FOREIGN CORPORATION USING A PARTICULAR NAME.

APPROVED BY THE GOVERNOR JULY 7, 2008.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JULY 7, 2008.